

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.



**COMMON SPLENDOR INTERNATIONAL
HEALTH INDUSTRY GROUP LIMITED**

(Incorporated in Bermuda with limited liability)
(Stock Code: 286)

MAJOR TRANSACTION

DISPOSAL OF PROPERTY

THE PROVISIONAL SALE AND PURCHASE AGREEMENT

On 17 September 2014, the Vendor entered into the Provisional Sale and Purchase Agreement with the Purchaser and the Agent in relation to the Disposal of the Property for a consideration of HK\$48,000,000 which will be settled by the Purchaser in cash in the following manner:

- (a) a sum of HK\$2,400,000 being the initial deposit and partial payment of the consideration, which has been paid in cash by the Purchaser to the Vendor upon the signing of the Provisional Sale and Purchase Agreement;
- (b) A formal sale and purchase agreement will be signed on or before 30 September 2014 between the Vendor and the Purchaser and a sum of HK\$2,400,000, being further deposit and partial payment of the consideration, shall be paid in cash by the Purchaser to the Vendor on or before 30 September 2014 upon signing of the formal sale and purchase agreement; and
- (c) the balance of the consideration in the sum of HK\$43,200,000 shall be paid in cash by the Purchaser to the Vendor on or before 31 December 2014.

LISTING RULES IMPLICATIONS

As one applicable percentage ratio in respect of the Disposal under the Listing Rules exceed 25% but all of them are less than 75%, the Disposal constitutes a major transaction for the Company under the Listing Rules.

The SGM will be held to consider, and if thought fit, pass the resolutions to approve (among other things) the Provisional Sale and Purchase Agreement and the transactions contemplated thereunder.

A circular containing, among other things, (a) further details of the Disposal; and (b) a notice of the SGM, is expected to be despatched by the Company to the Shareholders as soon as practicable by 30 November 2014 since the Board expects that more time will be required to finalise the contents of the circular.

Shareholders and potential investors of the Company should be aware that Completion is subject to the satisfaction (or waiver, where applicable) of various conditions and therefore Completion may or may not take place. Shareholders and potential investors of the Company should exercise caution when dealing in the securities of the Company.

THE PROVISIONAL SALE AND PURCHASE AGREEMENT

Date: 17 September 2014

Parties:

Vendor: Give Strong Investments Limited, an indirect wholly-owned subsidiary of the Company and a company incorporated in Hong Kong with limited liability

Purchaser: Regal Fortune Limited, a company incorporated in Hong Kong with limited liability

Agent: Midland Realty (Comm.) Ltd., a company incorporated in Hong Kong with limited liability

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, the Purchaser is an investment holding company and each of the Purchaser and the Agent and its respective ultimate beneficial owners are third parties independent of the Company and its connected persons.

Asset to be disposed of:

The Property, namely 25 car parking spaces on various floors at ground floor, first floor, second floor, third floor and fourth floor, Bank of East Asia Harbour View Centre, 56 Gloucester Road, Wanchai, Hong Kong.

The Property was acquired by the Vendor on 31 May 2014 at a cost of HK\$42,600,000 from Grow Wealth which is an indirect wholly-owned subsidiary of the Company in order to avoid the political risk exposure since Grow Wealth is a company incorporated in the Republic of Liberia. The Property was acquired together with a number of shops, office units and other car parking spaces in the same building by Grow Wealth on 28 June 1991. The net book value of the Property was HK\$44,460,000 as at 30 June 2014. Since the acquisition of the Property in 1991 by Grow Wealth, the Property has been used by Grow Wealth and the Vendor as investment properties for generation of rental income. For the two financial years and for six months ended 30 June 2014 immediately preceding the Disposal, the revenue and net profits attributable to the Property are as follows:

	For six months ended 30 June 2014 HK\$'000	For year ended 31 December 2013 HK\$'000	2012 HK\$'000
Revenue	<u>537</u>	<u>1,045</u>	<u>978</u>
Net profit before/after tax	<u>2,356</u>	<u>4,531</u>	<u>7,293</u>

Pursuant to the Provisional Sale and Purchase Agreement, the Vendor is required to deliver the Property with the licenses subsisting thereto, and to transfer the rental deposit paid by the tenants to the Purchaser upon Completion.

Consideration:

The consideration for the Property is HK\$48,000,000 which will be settled by the Purchaser in cash in the following manner:

- (a) a sum of HK\$2,400,000, being the initial deposit and partial payment of the consideration, which has been paid in cash by the Purchaser to the Vendor upon the signing of the Provisional Sale and Purchase Agreement;
- (b) A formal sale and purchase agreement will be signed on or before 30 September 2014 between the Vendor and the Purchaser and a sum of HK\$2,400,000, being further deposit and partial payment of the consideration, shall be paid in cash by the Purchaser to the Vendor on or before 30 September 2014 upon signing of the formal sale and purchase agreement; and
- (c) the balance of the consideration in the sum of HK\$43,200,000 shall be paid in cash by the Purchaser to the Vendor on or before 31 December 2014.

The consideration for the Property was arrived at after arm's length negotiations between the parties to the Provisional Sale and Purchase Agreement on normal commercial terms after having taken into account the market prices of comparable properties of similar size, character and location.

Conditions precedent

Completion is subject to, among other things, satisfaction or, as the case may be, waiver of the following conditions precedent:

- (a) the Vendor having proven good title to the Property to the Purchaser; and
- (b) all approvals which are required under the Listing Rules for the completion of the Provisional Sale and Purchase Agreement having been obtained.

Pursuant to the Provisional Sale and Purchase Agreement, the Vendor has agreed and undertaken to procure the majority shareholder of the Company (namely, Champion Dynasty Limited, which holds 37.23% of the issued share capital of the Company as of the date of this announcement) to provide an undertaking to the Purchaser to secure that it shall, to the extent permitted to do so under the Listing Rules, vote for approving the Provisional Sale and Purchase Agreement at the SGM.

Pursuant to the Provisional Sale and Purchase Agreement, if the approvals mentioned in (b) above cannot be obtained 7 working days prior the Completion, the Vendor shall refund to the Purchaser all deposit (without deduction) within 3 days from the date of the Purchaser's demand, failing which the Vendor is obliged to pay interest on the said deposits at the rate of 5% per annum over prime rate to time quoted by The Hong Kong and Shanghai Banking Corporation Limited calculated from the date of the Purchaser's demand for the return of the said deposits up to and inclusive of the actual date of refund.

Completion:

Completion shall take place on or before 31 December 2014, upon which the Vendor shall deliver the Property with the licenses subsisting thereto, and to transfer the rental deposit paid by the tenants to the Purchaser.

REASONS FOR AND BENEFIT OF THE DISPOSAL

The Group is principally engaged in the operation of health industry, investment and finance and properties investment.

In view of the recent appreciation of the property market in Hong Kong, the Board considers that it is good opportunity to dispose of the Property.

Meanwhile, the Group has started investing in the health industrial field in the PRC since 16 October 2013 when the Group formally rented approximately 2,975 square meters of two floors of a commercial building in Guangzhou Biological Island as a health management business headquarters and the first operational centre. As of the date of this announcement, the Group has developed several projects on hand including health management, health fast food, medical investment management, physical fitness services for the growth of children and teenagers and natural health food projects. The Directors decided to concentrate on the development of the business in relation to the health industry in the long run.

The Directors consider that the Provisional Sale and Purchase Agreement is entered into under normal commercial terms following arm's length negotiations between the Vendor and the Purchaser and that the terms of the Provisional Sale and Purchase Agreement are fair and reasonable so far as the interests of the Company and the Shareholders as a whole are concerned.

FINANCIAL EFFECT OF THE DISPOSAL AND INTENDED USE OF PROCEEDS

It is estimated that, upon Completion, the Group will record a gain on disposal of approximately HK\$3,030,000. Such gain is estimated based on the consideration receivable from the Disposal, i.e. HK\$48,000,000, less the net book value of the Property of approximately HK\$44,460,000 as at 30 June 2014 and other related costs and expenses.

The Board intends to use the net proceeds arising from the Disposal as working capital and additional fund for the development of the current health industry projects of the Group.

LISTING RULES IMPLICATIONS

As one applicable percentage ratio in respect of the Disposal under the Listing Rules exceed 25% but all of them are less than 75%, the Disposal constitutes a major transaction for the Company under the Listing Rules.

GENERAL

The SGM will be held to consider, and if thought fit, pass the resolution to approve (among other things) the Provisional Sale and Purchase Agreement and the transactions contemplated thereunder.

A circular containing, among other things, (a) further details of the Disposal; and (b) a notice of the SGM is expected to be despatched by the Company to the Shareholders as soon as practicable by 30 November 2014 since the Board expects that more time will be required to finalise the contents of the circular.

Shareholders and potential investors of the Company should be aware that Completion is subject to the satisfaction (or waiver, where applicable) of various conditions and therefore Completion may or may not take place. Shareholders and potential investors of the Company should exercise caution when dealing in the securities of the Company.

DEFINITIONS

In this announcement, unless the context otherwise requires, the following expressions shall have the following meanings when used herein:

“Agent”	Midland Realty (Comm.) Ltd., a company incorporated in Hong Kong with limited liability
“Board”	the board of Directors from time to time
“Company”	Common Splendor International Health Industry Group Limited, an exempt company incorporated in Bermuda with limited liability whose issued shares are listed on the Stock Exchange
“Completion”	completion of the Disposal in accordance with the terms and conditions of the Provisional Sale and Purchase Agreement
“connected persons”	has the meaning ascribed to this term under the Listing Rules
“Disposal”	the disposal of the Property subject to and upon the terms and conditions of the Provisional Sale and Purchase Agreement
“Director(s)”	the director(s), including the independent non-executive directors of the Company from time to time
“Grow Wealth”	Grow Wealth Company Ltd, an indirect wholly-owned subsidiary of the Company and incorporated in the Republic of Liberia with limited liability
“Group”	the Company and its subsidiaries from time to time
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange

“PRC”	the People’s Republic of China, which for the purpose of this announcement, excludes Hong Kong, the Macau Special Administrative Region of the People’s Republic of China and Taiwan
“Property”	25 car parking spaces on various floors at ground floor, first floor, second floor, third floor and fourth floor, Bank of East Asia Harbour View Centre, 56 Gloucester Road, Wanchai, Hong Kong
“Provisional Sale and Purchase Agreement”	the agreement for sale and purchase of the Property dated 17 September 2014 and entered into between the Purchaser, the Vendor and the Agent
“Purchaser”	Regal Fortune Limited, an independent third party, a company incorporated in Hong Kong with limited liability
“Shareholders”	the holders of the issued Shares from time to time
"SGM"	the special general meeting to be held by the Company to consider and, if thought fit, approve (among other things) the Provisional Sale and Purchase Agreement and the transactions contemplated thereunder
“Shares”	ordinary shares of HK\$0.01 each in the share capital of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Vendor”	Give Strong Investments Limited, an indirect wholly-owned subsidiary of the Company and the beneficial owner of the Property
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong

By order of the Board
Common Splendor International
Health Industry Group Limited
Wong Yuet Ying
Company Secretary

Hong Kong, 17 September 2014

As at the date of this announcement, the Board comprises Mr. Cheung Wai Kuen and Mr. Cheng Hau Yan as executive Directors; Mr. Lin Jiang as non-executive Director; and Mr. Mai Yang Guang, Mr. Yau Chi Ming and Mr. Huang Liang as independent non-executive Directors.

The Company website is www.cs-ih.com